

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 507 (MC2019-81)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2019-87

**USPS NOTICE OF AMENDMENT TO  
PRIORITY MAIL CONTRACT 507, FILED UNDER SEAL**  
(July 10, 2020)

The Postal Service hereby provides notice that the terms of Priority Mail Contract 507, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 507 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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July 10, 2020

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 507**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
[REDACTED]  
**REGARDING**  
**PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service (the "Postal Service") and [REDACTED] ("Customer") entered into a Shipping Services Contract, Priority Mail Contract 507/Docket No. CP2019-87 regarding Priority Mail Service on December 19, 2018.

WHEREAS, the Parties desire to amend the terms in Section I.B, along with new Table A.1; Table B in Section I.E.2; Section I.H by adding Tables 4 and 5; Section I.I; and Section IV of the Contract.


NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Section I.B, along with new Table A.1; Table B in Section I.E.2; Section I.H by adding Tables 4 and 5; Section I.I; and Section IV, as follows.]

**I. Terms**

- B. This Contract applies to Customer's inbound and outbound packages (collectively "Contract Packages"), excluding packages originating from and/or addressed to ZIP Codes contained in Table A.1 below, as follows:

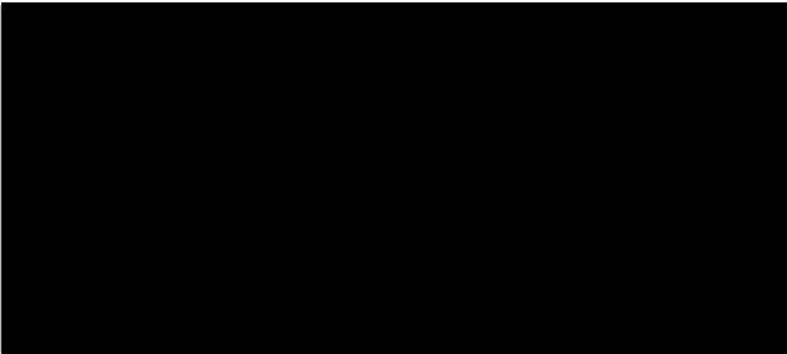
1. Priority Mail weight-based packages that do not exceed [REDACTED]  
[REDACTED]
2. Priority Mail cubic packages that do not exceed [REDACTED]  
[REDACTED]
3. Priority Mail Flat Rate Envelopes [REDACTED] and [REDACTED]
4. Priority Mail Flat Rate Boxes [REDACTED]  
[REDACTED]



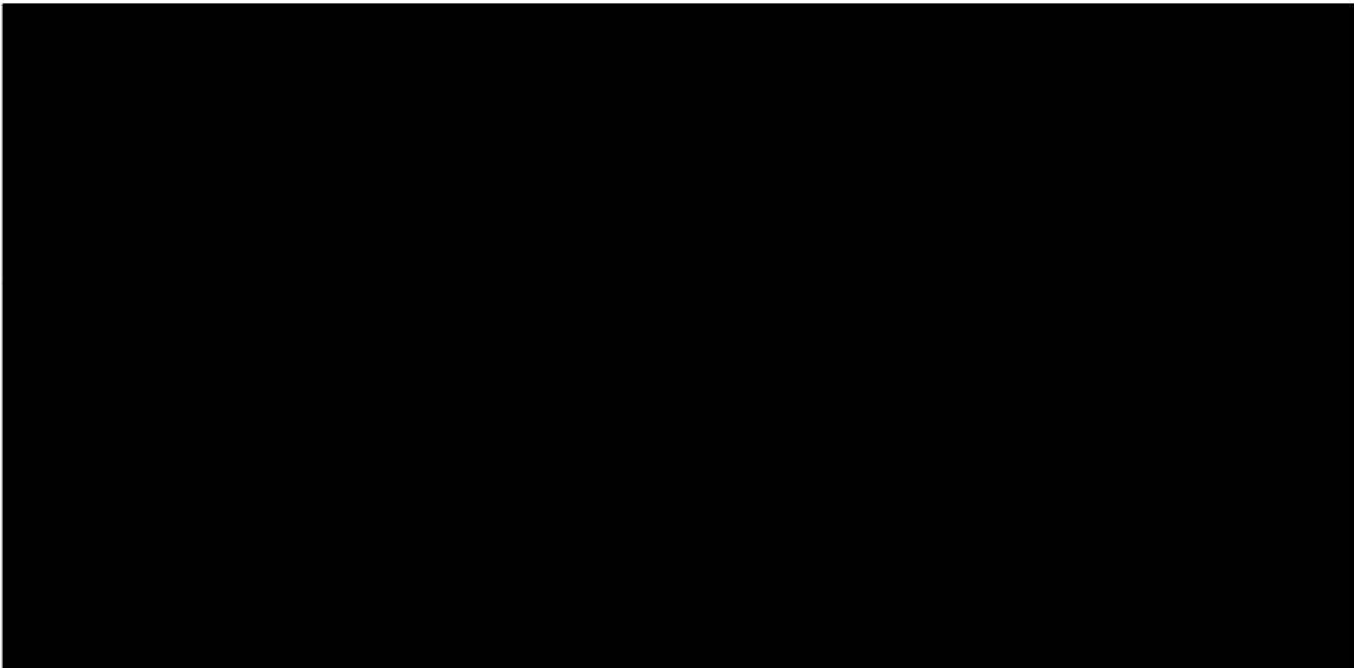
Customer expressly commits to not offer, sell, or allow the use of Contract Pricing provided in this Contract to any other entity or party (i.e. “reselling”). Customer shall not extend pricing to a third party under this Contract, including commercial published pricing for the products defined in Section I.B, or any prices below commercial published pricing. For the avoidance of doubt, a violation of this section will constitute a material breach of this Contract. This requirement may be waived in writing by the Postal Service, expressly for the limited purpose of Customer’s dropshipping activities.

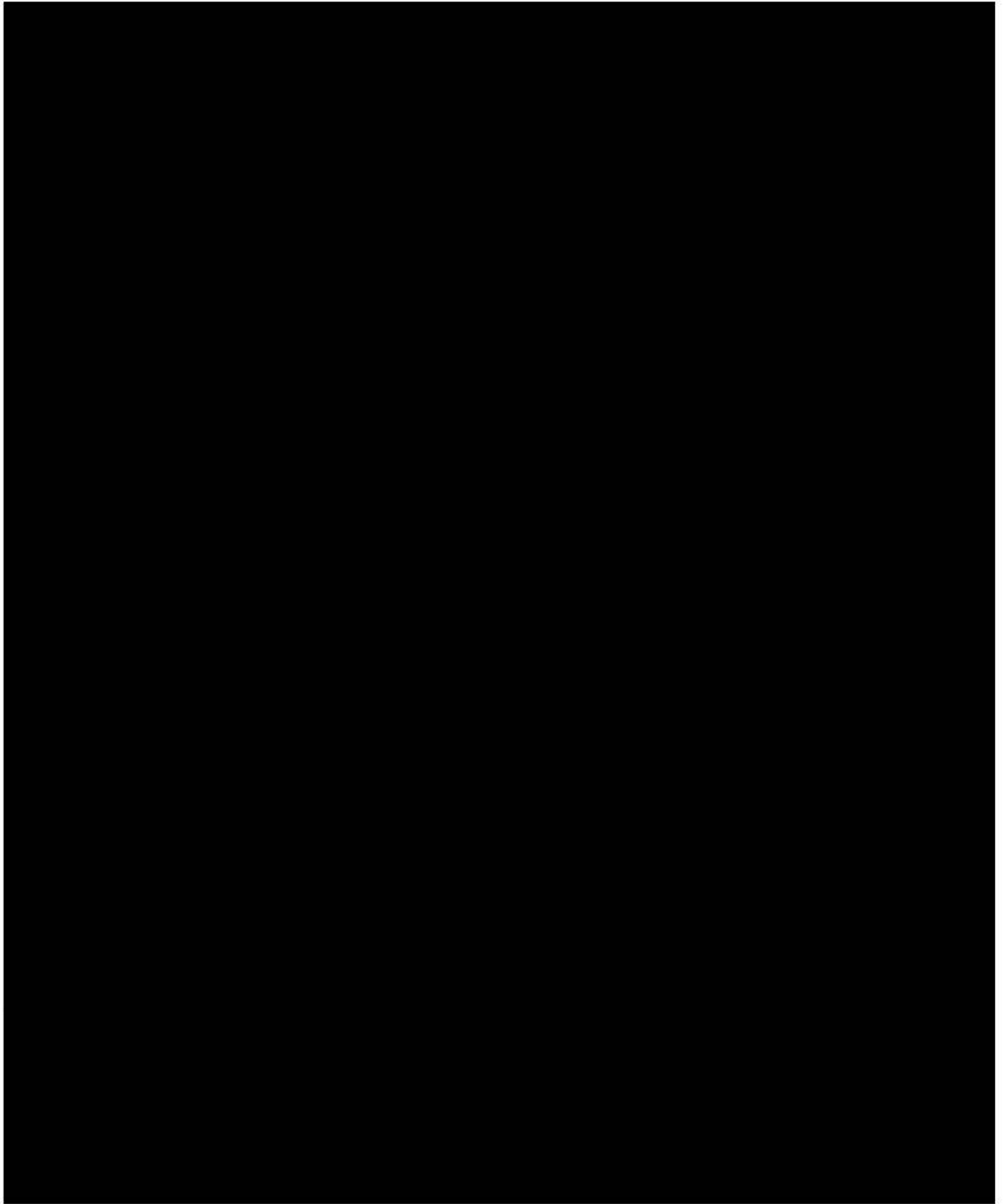
E. [Unchanged.]

2. [Unchanged.]



H. [Unchanged.]





## **I. Annual Adjustment**

1. For subsequent years of the Contract, occurring on the anniversary of the Contract's effective date, customized Priority Mail prices under this Contract, found in Tables 1 through 5, will be the previous year's prices plus the most recent (as of the anniversary date) overall percentage increase in prices of general applicability for Priority Mail Commercial Plus, as calculated by the Postal Service.
2. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent. If the Postal Service maintains or decreases published rates of applicability for Priority Mail Commercial Plus, there shall be no change to contract pricing for that Contract Year.

## **IV. Appeals**

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED] The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: DocuSigned by: Timothy Costello  
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Printed Name: Timothy R. Costello

Title: Vice President Sales

Date: 6/29/2020





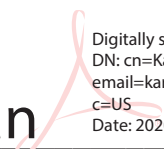
**ATTACHMENT B**  
**SIGNED CERTIFICATION**

## **Certification of Prices for Amendment to Priority Mail Contract 507**

I, Karen Meehan, Manager, Competitive Products Pricing, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 507. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Karen  
Meehan**  
Karen Meehan



Digitally signed by Karen Meehan  
DN: cn=Karen Meehan, o, ou,  
email=karen.meehan@usps.gov,  
c=US  
Date: 2020.07.07 16:02:04 -04'00'